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E69

ACTION WHA-00

INFO	LOG-00	NP-00	AID-00	CEA-01	CIAE-00	COME-00	CTME-00
	INL-00	DINT-00	DODE-00	DOEE-00	ANHR-00	PERC-00	SRPP-00
	DS-00	EB-00	EUR-00	EXIM-01	E-00	VC-00	FRB-00
	H-01	TEDE-00	INR-00	IO-00	ITC-01	LAB-01	L-00
	VCE-00	AC-00	NRRC-00	NSAE-00	OES-00	OIC-02	OME-01
	OPIC-01	PA-00	PM-00	PRS-00	ACE-00	P-00	SP-00
	IRM-00	SSO-00	SS-00	STR-00	TRSE-00	USIE-00	EPAE-00
	PMB-00	DSCC-00	PRM-00	DRL-00	G-00	NFAT-00	SAS-00

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O 181825Z SEP 03  
FM AMEMBASSY CARACAS  
TO SECSTATE WASHDC IMMEDIATE 2995  
INFO AMEMBASSY BOGOTA PRIORITY  
AMEMBASSY BRASILIA PRIORITY  
AMEMBASSY LA PAZ PRIORITY  
AMEMBASSY LIMA PRIORITY  
AMEMBASSY QUITO PRIORITY  
AMEMBASSY LISBON PRIORITY  
AMEMBASSY MADRID PRIORITY  
AMEMBASSY SANTIAGO PRIORITY  
AMEMBASSY MEXICO PRIORITY  
NSC WASHDC PRIORITY  
USCINCSO MIAMI FL PRIORITY  
DEPT OF LABOR WASHDC PRIORITY

RELEASED IN PART  
B1, 1.4(B), 1.4(D)

C O N F I D E N T I A L CARACAS 003200

NCS FOR TSHANNON  
USCINCSO ALSO FOR POLAD  
STATE PASS USAID FOR DCHA/OTI  
DOL FOR I/LAB  
ENERGY FOR PUMPHREY

E.O. 12958: DECL: 09/08/2013  
TAGS: ELAB, ENRG, PGOV, PHUM, VE  
SUBJECT: FIRED OIL WORKERS LANGUISH IN THE POLITICAL  
CROSSFIRE

Classified By: Ambassador Charles Shapiro for Reasons 1.5(b) and (d)

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Summary  
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B1

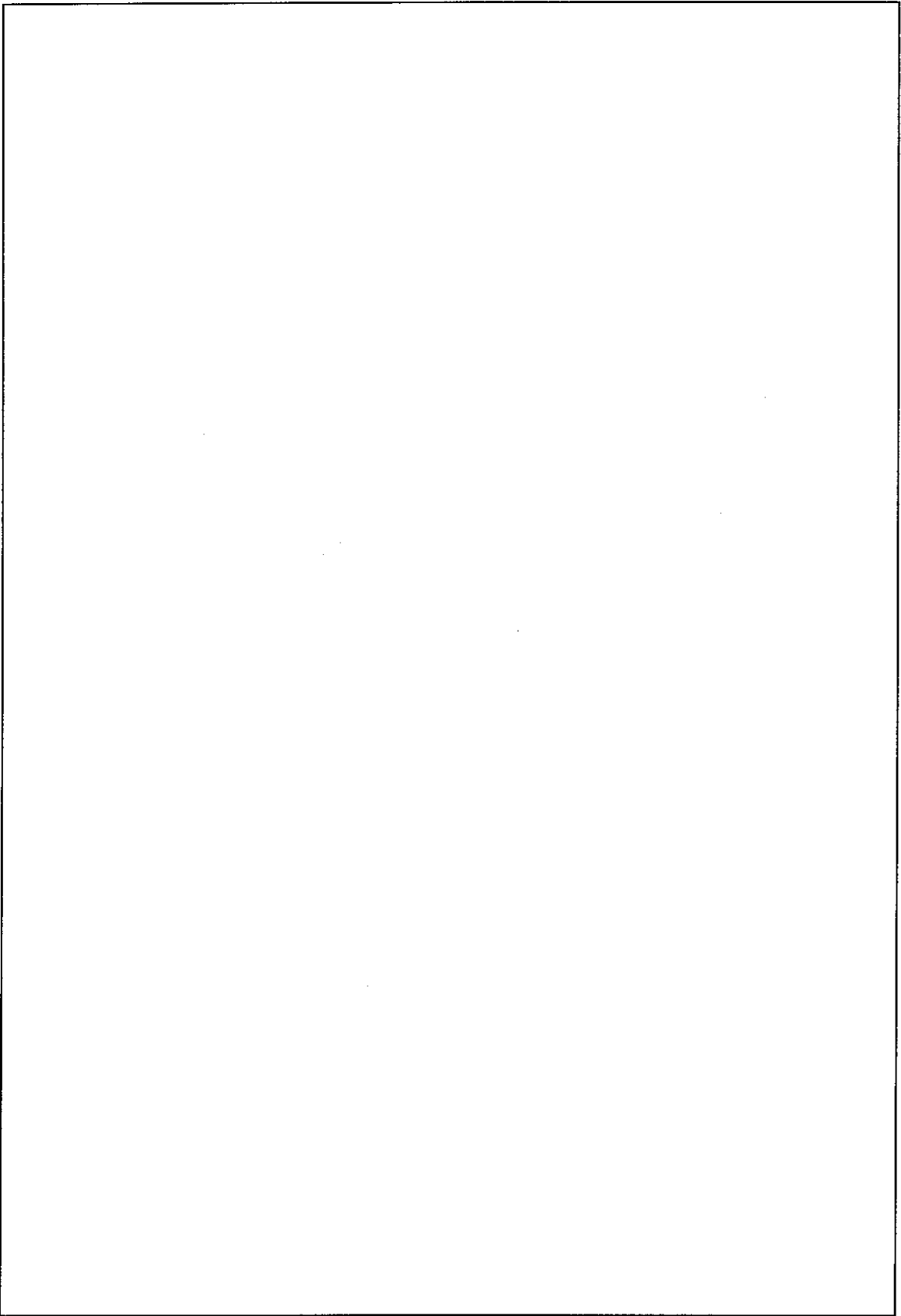
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Chavez Brings PDVSA To Heel  
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N2. (U) President Hugo Chavez made no secret of his desire to undo Petroleos de Venezuela (PDVSA), which has been referred to as a "state within a state" because of the company's independent and internationalist profile. Chavez's appointment of an all-political board of directors in PDVSA in February 2002 was in contradiction to the practice of naming PDVSA professionals to the majority of director positions. Chavez shocked the company April 7, 2002, when he fired seven executives on television -- using a whistle as if to eject them from a soccer match. The ensuing days saw a civil uprising that temporarily removed Chavez from power. Once restored, Chavez expressed regret over the public nature of the firing, and the seven executives returned to work.

3. (U) When a subsequent PDVSA strike became the centerpiece of the December 2002 - February 2003 nationwide work stoppage, Chavez once again publicly fired the executives. Starting January 9, the pro-Chavez PDVSA management began firing workers through newspaper ads that listed thousands of names of workers. In all, some 19,000 PDVSA employees and employees of PDVSA affiliates were fired in this manner, according to Troconis. Another 5,000 workers have neither been fired nor permitted to return to work. None of the workers have been paid or have received their severance package since the firings. Nor have senior employees who were permitted to retire received their pension benefits.

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7. (SBU) The tired workers also argue they have protection under article 32 of the Organic Law of Hydrocarbons which guarantees the "stability and irremovability" of workers in the petroleum sector. To fire a petroleum worker legally, the employer must first request permission from the Inspectorate of the Ministry of Labor, which the workers assert PDVSA did not. PDVSA President Ali Rodriguez has asked the Supreme Court (TSJ) to toss out article 32 of the hydrocarbons law, arguing that it unfairly gives petroleum workers extra privileges not accorded workers of other sectors. Froilan Barrios, a director of the Confederation of Workers of Venezuela (CTV), told poloff September 5 that they do not expect the TSJ decision to be retroactive.

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Appeals to International Fora  
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9. (SBU) Unapetrol complained February 2003 to the International Labor Organization (ILO) that the GOV had violated three ILO Conventions:

- Convention 87 on the freedom of association;
- Convention 98 on collective bargaining; and
- Convention 158 on the termination of employment.

Troconis said a fourth complaint, dealing with discrimination, was presented to the ILO in August. He was

unsure how long the cases would take to be resolved, though press reports suggest that at least one year is common. The

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Labor Ministry's Ruben Molina refused to comment on the cases, noting that they are under investigation.

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11. (U) The ORIT report also claims that some 7,000 children of ex-employees are in danger of losing the benefit of attending a PDVSA-run school. On September 11, for example, a labor judge in Falcon state ruled that the 1,100 affected children in that state did not have a right to attend the PDVSA schools. As a result, armed National Guard troops in Falcon on September 16 kept protesting parents and school children in uniform from school. Barrios confirmed that some schools have denied registration to the children of ex-workers on the grounds that their parents no longer work in the company, regardless of pending legal actions contesting the dismissals. Barrios further reported that parents were having trouble finding other schools either because of the remote location of some PDVSA work camps or because public school quotas for the year are already filled.

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Shapiro

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